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Automotive News

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Reagan OK's changes in trust laws

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—Major changes in antitrust policy have been blessed by President Reagan.

Although not yet draped with legislative language and submitted to Capitol Hill, the cnanges apparently reflect last summer's initiative by Commerce Secretary Malcolm Baldrige and supported by the Justice Department.

A major change would provide five years of protection from antitrust enforcement for industries impacted by foreign competition. Obviously, this applies even to the highly concentrated auto industry.

The proposed exemption for industries injured by imports could be an alternative to relief under the 1974 trade law.

Other Reagan-endorsed proposals would allow more corporate directors to serve on boards of competing firms, ease restrictions on merger activities even more than the Administration merger guidelines have done already, severely restrict private collection of treble damages and limit American companies in their ability to sue foreign competitors.

Presidential Spokesman Larry Speakes said the the package would help U.S. companies heavily affected by foreign competition by allowing more freedom to merge and thus compete internationally.

Attorney General Edwin Meese called the program one to "bring the antitrust laws into conformity with modern times" and to make U.S. laws more "compatible with the global market."

Reception in the Senate is deemed generally sympathetic.

After all, one of the first actions taken in 1981 by Senator Strom Thurmond, South Carolina Republican and chairman of the Senate Judiciary Committee, was

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Late News

No UAW for EDS

UAW attorneys have told the National Labor Relations Board the union wants to withdraw six petitions seeking to represent employes of the General Motors subsidiary Electronic Data Services. Related petitions were dismissed by the NLRB last November due to changes in the composition of the workforce. The UAW sought to represent about 700 of the 7,000 former GM data processing employes who were transferred to EDS a year ago.

Jim Dunne/Popular Mechanics

Dueling domestics

In the 1988 model year, General Motors will introduce the GM10 cars, including the Pontiac Grand Prix, above. It will be competing directly with the Ford Taurus, below, and Mercury Sable for the upper middle domestic-car market. Ford introduced Taurus and Sable at the beginning of 1986 with big sales plans for the models. GM, on the other hand, is scaling back on its initial output plans for the 10-cars. A station wagon version has been dropped.

Ford recall covers 42,000 Aerostars

By Richard Johnson
Detroit Reporter

Ford Motor Co. is recalling approximately 42,000 1986 Aerostar vans following reports of rear-end weld separations—including those holding the rear suspension.

Meanwhile, controversy has arisen over the Ford minivan's braking performance following publication of a highly critical report in a consumer research magazine.

A story circulated last week of at least one case of a rear axle falling off an Aerostar van due to the weld separation problem. However, company spokesmen said they were unaware of any such incident.

Ford said last week it will notify owners of some 30,000 Aerostars to return their vehicles to Ford dealers for reinforcement of certain structural welds in the underbody, including welds retaining the rear suspension. Another 12,000 models are in dealer inventory.

John P. King, service engineering manager, Ford Parts and Service Division, said the reinforcements will be installed on all Aerostars built through Dec. 6, 1985, since it is "not feasible to inspect certain areas that may have been welded inadequately."

King last week acknowledged field reports indicating that substandard welds may separate, causing a reduction in steering response. He said no accidents or injuries have been reported as a result of the condition.

Weld separation would cause drivers to hear "clunking, thumping or rattling noise" at the rear of the vehicle, according to the FPSD statement.

Last week, a spokeswoman for the division reported 52 vehicles to date with weld seperations, but she said she was unaware of cases in which any part of the vehicle became detached.

The company did not release an estimated cost to carry out the Aerostar recall. However, the spokeswoman said, "We figure it will take one man a working day to do it."

She said that in addition to labor costs, some brackets and tools would be involved with the repairs.

Based on hourly labor charges,

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GM10 program is scaled back; wagon dropped

General Motors has begun to scale back its massive GM10 project, the largest new-car program in the company's history, by scrapping one of the models and one of the assembly plants originally planned for the program.

The first of the GM10 cars will be launched as 1988 models.

GM has decided not to produce a station wagon-version of the GM10 as had been planned. Sources said engineering problems caused the station wagon to be scrapped.

GM told the 4,800 workers at its Arlington (Tex.) assembly plant last week that the plant will not be included in the GM10 program as had been expected.

Reduced volume expectations were blamed.

GM also is said to be tinkering with the design of the GM10 cars following the successful launch of the Ford Taurus and Mercury Sable. The Ford cars compete in the same mid-size category as the GM10 cars and look similar. However, Ford's models are on the market two years earlier than GM's entries.

The Texas plant now assembles rear-wheel-drive G-cars, the Chevrolet Monte Carlo and Oldsmobile Cutlass Supreme. It will continue to produce the cars until they are phased out, but no new-car program has been scheduled yet for the plant after those models are discontinued.

The GM10 cars, also known as W-bodies, will replace the G-cars as well as GM's A-cars.

GM has said the GM10 project is its most extensive and expensive new product program in history. The $8-billion project originally was to involve as many as seven assembly plants to produce the replacement for GM's midsize family of cars.

About 1.5 million front-wheel-drive intermediates were expected to be produced annually.

So far, the only plant publicly named for the GM10 pogram has been the Fairfax (Kans.) assembly plant.

Other plants said to be included are Oshawa, Ont.; Oklahoma City, and Doraville Ga.

GM earlier had canceled or delayed orders for some of the large new transfer presses involved in its metal stamping systems, indicating a cutback in its original plans for new-product programs.

GM's total order for the presses and related equipment for the Chevrolet-Pontiac-Canada Group and the Truck & Bus Group amounted to more than $1 billion. The amount canceled or put on hold reportedly totaled about $60 million to $110 million worth of equipment.

NHTSA likes CAFE range of 26 to 27.5

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—NHTSA has proposed a CAFE standard between 26.0 MPG and 27.5 MPG for each of the 1987 and 1988 model years. That would substitute for

Poling: 26 MPG a must—Page 8

the current 27.5 MPG for those model years. General Motors and Ford Motor have requested 26.0.

Recently, NHTSA rolled back the 1986 model year CAFE from 27.5 MPG to 26.0 MPG at the request of those two companies.

A public meeting will be held Feb.19 in Washington, and interested parties have 60 days in which to file written comments.

The NHTSA proposal is in re-

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Battle for the U.S. market

Greenwald warns of big oversupply

By Mary Connelly
Detroit Reporter

Chrysler Motors Chairman Gerald Greenwald predicts an allout bloodletting in 1986 because the supply of automobiles in the U.S., including imports, will outpace consumer demand by 25 percent.

It could result in U.S.-based companies losing as much as 10 percentage points of the car market, he said. He said those 10 points are "up for grabs."

"There will be 25 percent more auto capacity in America this year than the estimated market size," Greenwald told the Economic Club of Detroit last week. "Somebody's blood is going to

Please turn to Page 54, Col. 3

Nissan president sees a 'dogfight'

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—The scramble for shares of the small-car sales pie in the U.S. will turn into a real dogfight by 1988 when car assembly plants now under construction in Japan come on stream and planned exports from South Korea and Taiwan glut the market.

The first skirmishes in that sales battle among small-car manufacturers, however, are expected to occur this year, according to Yutaka Kume, Nissan Motor Co. president.

"In the U.S. market, the Big Three auto makers, flush with enormous profits, have launched aggressive capital-investment programs to

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Inventories still high, 73 days—Page 52

Senators get no promises from Japan

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—The verbal maneuvering over Japan's voluntary restraints on auto exports to the U.S. continues in government—both U.S. and Japanese—and industry circles here.

Meanwhile, two conflicting reports on the likely quota outcome were published here last week—one out of the U.S. stating that Japan is likely to continue the curbs, the second quoting a Japanese government official denying the speculation.

The export restraints are scheduled to expire at the end of March.

Senator John Danforth, Missouri Republican, told an audience at the Foreign Correspondents' Press Club of Japan the voluntary curbs on exports should be continued in fiscal 1986, starting in April, in light of the huge American trade deficit with Japan which is likely to exceed $50 billion for fiscal 1985.

Speaking at the Foreign Correspondents' Club, Danforth said that in meeting with government officials, no member of the delegation was given an indication of the Japanese Government's intentions.

Masao Omichi, deputy director of Japan's International Trade and Industry Ministry's (MITI) Automobile Division, said more study is needed on factors such as the yen's rise against the U.S. dollar and other bilateral trade issues before the ministry can make a decision on export curbs.

On the industry side, automotive executives, including Shoichiro Toyoda, president of Toyota Motor Corp., and Yutaka Kume, president of Nissan Motor Co., have made public statements to the effect that the quota system is no longer needed and that they expect the quotas to be dropped next fiscal year.

It is the first time Kume has made such a statement, and Toyoda took the step of publicly criticizing Japanese government officials calling for a quota extension by making his remarks at a news conference.

Danforth, leading a six-member U.S. Senate delegation, arrived in Tokyo with the letter from 13 senators, which also contained a stern warning to Prime Minister Yasuhiro Nakasone and MITI Minister Michio Watanabe (Automotive News, Jan. 13).

The Kyoto News Service report issued from San Diego, where Watanabe was attending a meeting of trade ministers of Japan, U.S., Canada and Europe, quoted an anonymous MITI official as saying quotas would be continued.

But in Tokyo Friday, a ranking MITI official totally denied the report in a statement published by Jiji Press Service. He was reported as saying the quota issue had not yet been raised in San Diego. He said the Reagan Administration is hoping for abolition of the quota while Congress is insisting it stays, and that MITI's policy will be determined after Watanabe met with U.S. Trade Representative Clayton Yuetter Friday, after Automotive News went to press.

Danforth said that when he introduced the quota bill in 1981 he "believed at that time that the U.S. auto industry needed two to three years of protection so that it could be saved from going under."

"However, the problem now is beyond any specific sector," Danforth said. "The problem now is the $50 billion trade deficit the U.S. has with Japan."

Omichi said MITI will consider how the yen's appreciation will affect auto exports to the U.S. and other trade issues before making a decision. He also said the government will consider the senators' letter.

Omichi said that as far as MITI is concerned, the restraint issue "is still a blank sheet of paper."

The English-language newspaper Mainichi Shimbun said one factor that may sway the government to extend the restraints is the increase in the market share of Japanese cars in the U.S. to a record 21.8 percent in 1985 from 19.7 percent in 1984.

It said the Japanese Government has "almost decided" to extend the curbs after members of the U.S. Senate requested an extension in a letter to the Japanese Government. The newspaper did not identify its sources.

The newspaper said the planned entry of Daihatsu Motor Co.—a minicar manufacturer that does not have an allocation of cars under the current quota system—into the U.S. market also is figuring prominently in the government's decision.

If the curbs are lifted, the government expects car exports to the U.S. to rise sharply.

However, the industry would not be too surprised, or upset, if some sort of a quota system with a higher export limit is announced for the 1986 fiscal year.

That way, those in the industry reason, Daihatsu and the small auto makers who are hurting with small quota allocations will be placated, while companies with large number of exports won't be hurt too much.

However, Nissan's Kume said there would be no sharp increase in the number of cars exported by Nissan to the U.S. even if restraints are lifted because the capacity of the dealer network is limited. Toyoda also has said exports would not increase greatly because of higher retail prices for Japanese cars in the U.S. following the rise of the yen's value against the dollar.

Trading halted

Stock rumor puts Bamford deep in Lotus

LONDON.—Stock trading in Group Lotus was suspended last Wednesday (Jan. 15) at the company's request. Clarification of the changes now taking place is expected some time this week.

Rumors concerning the group's three main shareholders—British Car Auctions with 29 percent, Toyota with 21 and J.C. Bamford with 16—have been gathering strength for several weeks.

The main belief is that Bamford, manufacturer of JCB construction equipment, will increase its stake in Lotus. That, in turn, could lead to Anthony Bamford eventually replacing BCA's David Wickins as Group Lotus chairman.

Group Lotus volume was around 850 cars last year. It employed just over 600 people. But it has plans to launch a new sports car this fall, and that would eventually reach production levels of some 3,000 a year.

More important, Lotus engineering contracts are continuing to increase. The company estimates that by 1990, one-third of its anticipated $85 million annual sales will be from outside engineering contracts.

DL combines sportiness and practicality

Subaru 3-Door bows; aimed at young buyers

PENNSAUKEN, N.J.—Subaru has introduced the 3-Door, a hatchback which is a new body style for the company. The car combines fastback styling with a 39.8-cubic-foot cargo area and is targeted mainly at young buyers.

The five-passenger car has the same front seat headroom as the sedan, but sits almost an inch lower, with a windshield raked two more degrees, for a coefficient of drag of 0.32.

The new 3-Door is available with both front-drive and on-demand four-wheel-drive. Its 1.8-liter engine is available with carburetor, single-point fuel injection or turbocharged with multi-point fuel injection.

Standard on the DL model are 82-HP carbureted engine, 5-speed manual transmission with overdrive, four-wheel independent suspension, vented front disk brakes and hill-holder system. It is priced at $8,089, including dealer prep.

The GL—priced at $8,714—features more interior electronics, power steering and power windows. It is available with automatic transmission combined with a 90-HP, fuel-injected engine for $9,543.

The GL 4WD has a carbureted engine and is available either with a 5-speed manual (at $9,289) or 3-speed automatic transmission (at $10,038).

The GL 4WD Turbo has a 110-HP turbocharged engine with 5-speed manual transmission. No automatic is available on this model, which is priced at $12,135.

'85 sales in Japan set another record

By Francis J. Gawronski
Tokyo Bureau Chief

TOKYO.—New-vehicle sales in Japan in 1985 climbed 2.2 percent over the previous year to a record 5,556,844 units. It was the fifth consecutive yearly increase.

The Japan Automobile Dealers Assn., which breaks down vehicle sales figures into two groups—minis and those larger—said vehicle sales excluding minis increased 1.3 percent to 4,028, 132 units, exceeding 4 million for the first time in five years.

JADA said mini-vehicle sales in 1985 increased 4.8 percent over 1984 to an alltime high of 1,528,-712 units.

In the larger-vehicle category, JADA said car sales in 1985 rose 1.4 percent to 2,943,066 units, while truck sales advanced 0.7 percent to 1,063,493 units and buses increased 6.4 percent to 21,-573 units.

By company in the bigger-than-mini class, JADA said Toyota's sales totaled 1,683,387 units, up 3.7 percent, to boost its market share 1.0 point to 41.8 percent.

Nissan was second with 1,047,-276 units, down 2.6 percent, and a market share of 26.0 percent, down from 27.0 percent.

Mazda sales totaled 305,959 units, down 6.7 percent, for 7.6 percent of the market, compared with 8.2 percent in 1984.

Honda sold 301,150 units in 1985 to score a 19.5 percent increase and expand its market share 1.2 points to 7.5 percent. In joining Toyota as the only other company to increase its market share, Honda placed fourth among Japanese auto makers, up one spot from 1984.

Mitsubishi sold 244,890 units in 1985, down 8.2 percent, for 6.1 percent of the market, down from 6.7 percent in 1984.

Isuzu's sales totaled 165,914 units, up 2.1 percent, for a market share of 2.1 percent, the same as in 1984, while Fuji Heavy Industries (Subaru) accounted for 76,288 sales, an increase of 3.6 percent, to maintain its 1.9 percent share.

Hino sold 38,366 units during the year, down 1.8 percent, while Nissan Diesel sold 20,684 units down 2.7 percent. Both Hino and Nissan Diesel managed to hold their market shares at 1.0 percent and 0.5 percent, respectively.

Isuzu, Suzuki eye co-op venture in home market

TOKYO.—Suzuki Motor Co. and Isuzu Motors reportedly have agreed on joint production and marketing of cars and commercial vehicles to cope with the fierce competition in the Japanese market.

The two companies will work out details of the agreement, which will be implemented this spring, and will allow their dealers to sell each other's vehicles.

The move is said to reflect the automotive competition in Japan.

Japanese auto makers, with the exception of Toyota Motor Corp., are said to be operating at a loss in the domestic market.

The first car the two firms' dealers will sell will be Suzuki's 1,000-cc Aska.

Hyundai plans Mitsubishi deal

SEOUL, South Korea.—Hyundai Motor Co. said it will build 3,-000-cc cars in cooperation with Mitsubishi Motors Corp.

The plan for the car, said to be the largest produced in South Korea, calls for an almost equal supply of components from each company. Production is expected to start in the fall of 1987.

The car is expected to be a version of Mitsubishi's redesigned Debonair model that will be introduced later this year. Some components for the Debonair will be produced in South Korea by Hyundai.

4 auto makers seek pact to build Soviet engine plant

Four major auto manufacturers are battling each other for the contract to build a $1 billion engine factory in the Soviet Union.

Alfa Romeo, Fiat, Volkswagen and Mitsubishi were the companies selected by Soviet officials. According to a spokesman for Alfa Romeo, negotiations could last another year or more.

This is the second stage of bidding on the contract for the plant, which will be located in Moscow. Initial proposals were accepted from any company interested in the project, and the Russians narrowed the field to those four companies.

The plant was described as an "intermediate-size" facility. And while Alfa was refused to give specific numbers, reports have indicated the plant will have the capacity to manufacture 250,000 to 300,000 engines per year.

There also is speculation that the Soviet Union will select two companies to work together on the contract.

For Alfa Romeo, the first discussions on this project were arranged by the Italian and Soviet governments since Alfa is a state-owned company.

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In Transit

Ford of Europe makes its move against the Japanese with a new-generation commercial van

By Richard Feast

The Transit series of medium-weight panel vans and pickup trucks is a crucial element of Ford of Europe's commercial vehicle presence. The new-generation Transit II, which goes on sale Feb. 10, arrives not a moment too soon.

The original Transit, introduced more than two decades ago, was Ford's first true pan-European model. It has been a howling success with more than 2 million produced, but has steadily been losing market share the past few years — despite recent adoption of a super-economy direct-injection diesel engine option.

At the lighter end of the market, the Japanese have made steady sales gains. At the heavier end, European manufacturers such as Volkswagen, Daimler-Benz, Renault and Sevel (the joint venture Peugeot-Fiat van) have moved strongly into the market with contemporary vehicles.

Now Ford is making its move. Transit II has the aero look of such Ford cars as Sierra and Scorpio. Its low drag coefficient (0.37 on the most aerodynamic model) is as good as the target car makers were shooting for only a few years ago. Ford engineers say Transit II offers improved space, carrying capacity and economy, along with much lower operating cost.

Transit II represents a $580 million investment by Ford, which is manufacturing it at Southampton, England — a dedicated Transit plant — and Genk, Belgium, where Sierra is also made.

One of the company's main concerns is to boost Transit outside the United Kingdom, where it has been a market leader the past 20 years. Indeed, its overwhelming success in the U.K. highlights Transit's sales weakness in other countries.

In 1984, the last year for which complete figures are available, 81,200 Transits were sold for 12.6 percent of its market segment and 6.2 percent of Western Europe's total commercial vehicle market. That compares with a heftier 7.5 percent of Europe's total three years earlier.

Of the 81,200 sales, 39,900 were in the U.K. The remainder were scattered across the continent — mainly 11,300 in West Germany, 10,500 in Italy and 6,400 in France. The local opposition — particularly in Germany, where Ford is a substantial vehicle maker — has largely kept the Transit in the background.

Ford's new Transit II is available in three wheelbases and five body styles. At top, the 100L long-wheelbase van; at left, the short-wheelbase van with side-load door; at right, the Transit long-wheelbase chassis cab. Ford hopes the Transit name will become a household word on the European mainland, as it has in the United Kingdom.

There is clearly plenty of room for improvement by Transit in mainland Europe, even if U.K. prospects for sales increases are limited by Ford's historical domination of the market there and by more competitive stances being taken in the U.K. by General Motors' Bedford Commercial Vehicle Division and BL's Freight Rover Division.

To its credit, Transit has become such an important aspect of the U.K. commercial vehicle scene that the name is often used generically for all medium vans and pickups.

The Transit II line is broad. Engine options are 1.6-liter gasoline (65 horsepower), 2.0-liter gasoline (78 hp) and a 2.5-liter direct-injection diesel (68 hp) that was introduced in the old van in April 1984 — the first production application of such a diesel in that size vehicle.

By the end of 1986 a 3.0-liter V-6 gasoline engine will be offered for vehicles with high-speed requirements, such as police cars and ambulances.

Transit II is available in three wheelbases and five body styles including vans, buses, chassis cabs and parcel vans. A double cab on a long wheelbase will be offered later.

Transmissions include four- and five-speed manuals, four-speed with overdrive and automatic. Payloads range from 1,765 to 4,190 pounds. Most versions will be offered in three levels of trim: Popular, Standard and L.

Through computer-controlled flexible automation, up to 12 different Transit II bodies can be produced along the same assembly line. In comparison, Ford officials claim, most advanced automated car factories can build only a maximum of six or seven body variations.

Western Europe's medium-segment commercial vehicle market rose from 468,400 units (45 percent of total industry volume) in 1974 to 641,200 units (49 percent) in 1984. Continued growth is expected, with volume forecast to top 700,000 units by 1989.

Much of the recent growth has come from Japanese importers specializing in vans that generally are smaller than those produced in Europe. This is a sub-sector the Europeans have ignored at some cost, for the Japanese now claim 20 to 25 percent of sales in the segment.

This has forced a reappraisal by European makers, including Ford which has begun to import Japanese-made Mazdas in certain countries. GM Bedford has manufacturing agreements with Isuzu and Suzuki, while Daimler-Benz plans to make Mitsubishis at its Spanish factory. Also in Spain, Nissan's acquisition of controlling interest in Motor Iberica has led to production of the Vanette there.

As the Europeans fight back, Transit II, designed to take on the Japanese, will be followed by others. There is a good chance Transit II will be the last commercial vehicle designed and built exclusively by Ford in Europe. For the longer term, Ford is talking about joint projects with Fiat of Italy.

While Ford and Fiat supposedly have cooled their desire for passenger-car joint ventures following a breakdown of talks last October, they are now turning their attention to commercial vehicles.

Both companies admit they are talking, and the outcome could involve anything from car-derived vans and pickups to special vans, trucks of all weights and buses. This is all that is known at this stage, but widespread belief is Ford and Fiat's real common ground is trucks.

This will mean projects involving Iveco rather than Fiat Auto. Iveco, a separate and clearly defined structure, handles its own R&D, manufacturing, sales and marketing. Iveco concentrates on vehicles heavier than those made by Fiat Auto with whom it has an arm's-length relationship. Iveco is officially registered in The Netherlands.

By contrast, Ford's car and commercial vehicle operations are less clearly defined. R&D is under one umbrella. Genk, for example, makes Sierra cars and Transit vans. Ford's strength is at the lighter end — the Transit and car-derived Escort and Fiesta vans which are sold through the car dealer network.

There is no indication of the health of Ford's commercial vehicle business. All that is known is contained in general references to geographical regions in Ford Motor Co. financial reports, and they refer to cars, commericals and agricultural equipment.

By most industry reckoning, however, the only companies making sufficient returns on European commerical vehicle opera-

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In Transit

Continued from page 29

tions are integrated manufacturers such as Daimler-Benz, Scania and Volvo. Daf, MAN and Bedford may be over the worst period, but still are not really healthy. The futures of Renault in France, Leyland in the U.K. and Enasa in Spain remain grim.

Giorgia Garuzzo, Iveco's managing director, expects to report a small profit for 1984, the first since 1982. The company has followed the example set by Fiat Auto, by cutting back on overhead and retrenching. Factories at Mainz, West Germany, and Trappes, France, were shut.

It is doubtful that Ford's single European truck plant (at Langley, England) can be profitable on present volumes of just under 13,000 (1984). The Cargo line has not achieved the sales predicted for it, and has made little impact on Ford business outside the U.K., where it is the market leader. While 9,500 Cargos were sold in the U.K. in 1984, the next best region — West Germany — did not even reach 1,000.

Iveco, No. 2 in Europe behind Daimler-Benz with 33,600 units, had a more-even 1984 sales spread: 14,800 in Italy, 6,800 in West Germany, 6,100 in France and 3,100 in the U.K.

Those figures provide an indication of why Iveco might be interested in Ford's sales and dealer network in the U.K. It would give Iveco better balance in the market for trucks over 3.5 tons. It also might provide some relief for Ford at a time when the pressure is on to send a positive financial statement to Dearborn.

Ford management strenuously denies it wants to get out of the truck-making business in Europe. But if talks with Iveco are serious, each company's strengths and weaknesses have to be key subjects.

Iveco does not deal with smaller vans and pickups which are Ford's European strength. Even Transit is more a competitor of vans produced by Sevel, the joint venture set up by Fiat Auto and Peugeot. However, Iveco's Daily and Grinta vans compete against the top-weight Transits.

Ford and Fiat's most obvious common ground, therefore, is in joining forces to design and build medium and heavyweight trucks. However, a collaboration could be more specific, perhaps involving production of engines, transmissions or axles.

Most European gossip has Iveco buying Ford's European truck operations, running them and gradually integrating them into the Iveco structure. There is no confirmation of that scenario, however.

As an alternative, the two could join forces to produce vehicles neither presently makes — for example, four-wheel-drive utility vehicles or lighter-category vans that have become almost the exclusive preserve of Japanese importers. Both categories have grown considerably in recent years, and further market expansion is expected.

One thing does seem certain: Whatever the two companies are discussing, they will agree early on who the boss will be. Failure to do this was the main cause of the breakdown between the two over joint-car operations; they agreed on a lot, but not on who would have the upper hand.

If Ford and Fiat are now seriously talking trucks, it is assumed the power playing will be settled early. ■

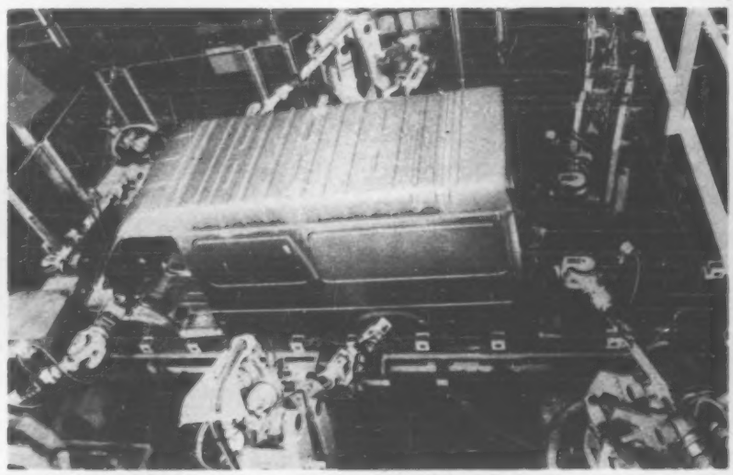
HOW EUROPE'S VAN MAKERS COMPARE

	1984	1983	1982
BL-Freight Rover	16,843	18,152	13,767
Daimler-Benz	56,714	56,713	61,340
Enasa	3,365	3,679	2,840
Ford	87,494	91,295	102,164
GM-Bedford	15,722	17,031	20,289
Iveco	42,600	46,404	45,446
Peugeot SA	26,595	30,881	32,279
Nissan*	15,041	13,978	11,107
Renault	66,749	62,388	63,528
Sevel**	63,430	71,817	56,973
Volkswagen	133,181	134,176	133,572
Total	567,360	595,298	597,999

These are production volumes for Europe's leading manufacturers of special panel vans and pickups up to 3.5 tons. Totals are for all industry, and include some makers not listed.

*Nissan production is through Spain's Motor Iberica, which it controls.
**Sevel is a joint venture by Fiat Auto and Peugeot group.

Source: Planning Research & Systems, London



Ford's Transit II also will be available in a 12-seat bus version (above, left). Ford is manufacturing the new-generation Transit van at its automated Southampton, England, plant (above, right). Ford says up to 12 different Transit bodies can be produced along the same assembly line.

WORLD NEWS BRIEFS

Jaguar gets ready

Still no official word on a launch date for the new Jaguar sedan, but a major supplier reports Sept. 1 this year has been established for Job One production. Jaguar made a record 38,500 cars last year, a 15-percent increase over 1984.

Anti-lock Escort

Ford of Europe's Escort and Orion models will feature anti-lock braking when the facelifted models are unveiled around the time of the Geneva auto show in March. The anti-lock system is Lucas' relatively inexpensive mechanical unit.

Multi-valve Maserati

A version of the Maserati Biturbo featuring six valves per cylinder is announced. The 2.0-liter V-6 has three intake and three exhaust valves.

Japan's extra imports

Foreign car sales in Japan are expected to top 50,000 when the final count for 1985 is completed. That will be second only to the 60,000-plus sold in 1979.

Peugeot 205 for Japan

Automobiles Peugeot's best-selling 205 hatchback goes on sale in Japan in April. It will be

Peugeot 205: Japan-bound

sold by Austin Rover Japan, the Tokyo-based subsidiary of Britain's Austin Rover Group.

Austin exports up

Export sales by Austin Rover Group exceeded 100,000 in 1985 for the first time since 1979. The 104,000 units represent a 15-percent increase over 1984. The company is putting more emphasis on exports — including a U.S. sales launch within a year — while facing increasing pressure in the U.K. from Ford and GM's Vauxhall Motors.

Extra business

"Our 900 dealers in the U.S. could live without it, but they'll live a little better with it," declares Volkswagen sales director Werner Schmidt of the group's decision to export a low-cost model from Brazil to the U.S. starting this year.

Magirus mending

Truck maker Magirus, West German subsidiary of Iveco, expects to report a small profit for 1985. Production rose by about 20 percent, to 11,000 units, in 1985.

Seat formality

Purchase by Volkswagen of a 51-percent share in Seat appears merely a formality following a decision by the Spanish government to cover $1.2 billion in debt and modernization commitments at Seat. VW's supervisory board is expected to approve the purchase at its next meeting, which is scheduled for Feb. 27.

Nissan for Iran?

European press reports suggest Iran is close to signing a car assembly deal with Nissan which would, in effect, replace business currently done by the U.K. division of Automobiles Peugeot.

VW Brasil expands

The Brazilian subsidiary of VW will invest $600 million over the next four years. Among projects involved are exporting truck components to Peterbilt, cars to VW of America and expansion of a cars/oil barter deal with Iraq. VW is the largest of Brazil's four major auto makers.

Siemens scuttled

Robert Bosch of West Germany appears to have beat out Siemens for control of carburetor maker Pierburg. Siemens wanted to buy the company as an entry into the automotive business. However, Bosch, which owns 20 percent of Pierburg, says Rheinmetall will buy the remaining 80 percent.

Bedford's boss

Paul J. Tosch, 45, is appointed chief executive and general manager of General Motors' Bedford Commercial Vehicle division in

Paul J. Tosch

the United Kingdom. He had been chief engineer for the Buick-Oldsmobile-Cadillac luxury-product team in Flint, Mich. Tosch replaces J.T. Battenberg III, who becomes product manager of B-O-C luxury products in Flint. ■

Peugeot may lower the river to raise the D60

By Richard Feast

The latest industrial renovation at Automobiles Peugeot's plants may involve the diversion of a river that runs through one of them. The l'Alane river, which bisects the Sochaux factory in southeast France, occupies a lot of valuable area and is a hindrance to moving about the complex.

Details are scarce because the modernization plan and investment costs have not been made public, but Sochaux is believed to be the company's main financial commitment to new facilities in the coming year.

Sochaux will follow factory modernizations at Mulhouse, where the Peugeot 205 model is produced, and more recently at Poissy, where output of the 309 model will be concentrated.

A spruced-up Sochaux would dovetail neatly with the anticipated — and unconfirmed — Peugeot plan to launch a new-generation upper-medium sedan in the early part of 1987.

Currently known as the D60, the new model is expected to fit in size between Peugeot's 305 and 505 sedans, both of which it will eventually replace. The car — 405 would seem to be a logical name — is certain to form part of a strengthened sales effort by the company in North America late next year.

Peugeot's philosophy is to have three "mother plants" — Mulhouse, Poissy and Sochaux. Each will concentrate on one main model, but would be flexible enough to react to market demands and produce other models. For instance, Poissy, the former Chrysler plant west of Paris, will focus on the 309 and dispatch knock-down kits for assembly at Coventry, England. But Poissy is also being used to build the 205 because demand far exceeds supply from Mulhouse.

In addition, Peugeot satellite factories at Villaverde, Spain, and Coventry provide further flexibility while supplying local requirements. In the case of Spain, 205s (and Peugeot 505s made by the sister Citroen company in Vigo) are being re-exported to the company's European dealers.

At Coventry, where 309 assembly has replaced production of Talbot models, there is strong lobbying for a similar arrangement with the forthcoming D60. Equally strong are Spanish hopes that the D60 will end up there. The Spanish company is currently doing well with a localized diesel version of the old Talbot Solara (known as Escorial), a model in a market segment similar to the D60.

Peugeot sales efforts are now being concentrated on the 309 which launches in other European countries following its introduction in France last year. It got off to a flying start. Peugeot division president Jean Boillot estimated last September that there would be 22,000 orders in France by the end of 1985. That figure was reached by the beginning of November.

Peugeot is confident about sales in France, where its market share continues to rise (21.5 percent last year) on the back of 205 demand. The real concern is exports to the rest of Europe, where Peugeot's image is relatively unknown.

The company has made some progress in Italy — as have other importers — but is being squeezed in the United Kingdom by Ford, General Motors and Austin Rover, and in West Germany by the domestics and Japanese.

Two factors are in Peugeot's favor. Now that its World Rally Championship is confirmed, the company can start promoting its successes against high-tech competitors such as Audi and Lancia.

"Rallying has probably been the most profitable investment Boillot ever made," confides a senior company official. It is believed the sales success in France, where Peugeot is a household name, can be repeated with an appropriate marketing campaign across the rest of Europe.

The second factor is that the 309 is in the leading market category in many northern European countries, whereas southern Europe prefers smaller models such as the 205 and Renault 5 in France, and Fiat Uno in Italy. This means that, in the 309, Peugeot at last will have a true challenger to the chart-topping Volkswagen Golf, Opel Kadett and Ford Escort models.

However, it will take months to realize the full benefit of the 309. The European launch won't be completed until June, and then only with a relatively narrow list of models. The company plans to copy the success of the 205 launch by introducing a number of 309 variants over many months. Introduced three years ago, 205s are still in heavy demand, with the result that daily production (2,350 units) is more than double early expectations.

Given this background, the declared aim of making 309s at a daily rate of 1,000 by May seems modest. If the model is as well-received as initially appears, decisions on boosting daily output will have to be made this spring.

In any case, full sales impact of the 309 will not be felt until the 1987 calendar year. The D60, to be introduced then, will take until 1988 to reach its full market potential.

All this is giving industry analysts renewed faith in the long-term future of Automobiles Peugeot. Jacques Calvet, group president, confirms that Peugeot division led the company back to balanced financial books in 1985, although Citroen is still losing money.

The good news is Peugeot's industrial and commercial restructuring — after taking the ailing Talbot/Chrysler organization on board — and the arrival of some stimulating new products are finally starting to pay off. ■

OVERSEAS PRODUCTION

JAPAN

Cars

	10 mos., 1985	10 mos., 1984
Daihatsu	135,531	140,078
Fuji	206,923	202,039
Honda	771,225	700,967
Isuzu	174,643	69,048
Mazda	670,254	648,736
Mitsubishi	467,569	449,995
Nissan	1,556,855	1,550,665
Suzuki	190,106	130,422
Toyota	2,146,929	2,005,645
Total	6,320,035	5,897,595

Vans, trucks, buses

Daihatsu	346,838	335,663
Fuji	271,658	252,008
Hino	57,029	51,002
Honda	129,924	125,344
Isuzu	316,574	284,291
Mazda	318,361	312,271
Mitsubishi	484,515	457,855
Nissan	547,183	531,373
Nissan Diesel	30,874	31,450
Suzuki	444,086	428,198
Toyota	926,815	841,956
Others	734	509
Total	3,874,591	3,651,830
Total vehicles	10,194,626	9,549,425

BRAZIL

Cars

	10 mos., 1985	10 mos., 1984
Farus	0	32
Fiat Auto	83,469	82,707
Ford	124,156	119,911
General Motors	156,869	140,216
Gurgel	31	28
Puma	0	99
Sta Matilde	67	53
Toyota	0	115
Volkswagen	251,636	240,523
Total	616,228	583,684

Vans, trucks, buses

Agrale	691	465
Fiat Auto	29,352	31,256
Fiat Cam.	112	349
Ford	36,005	32,313
General Motors	25,971	20,915
Gurgel	1,073	729
Mercedes-Benz	26,978	24,043
Puma	0	16
Scania	3,575	2,846
Toyota	2,101	2,661
Volkswagen	42,649	15,991
Volvo	2,846	1,573
Total	171,353	133,157
Total	787,581	716,841

UNITED KINGDOM

Cars

	10 mos., 1985	10 mos., 1984
BL	402,029	327,072
Austin Rover	390,716	317,701
Range Rover	11,313	9,371
Carbodies	1,498	1,301
Ford	266,770	255,147
Jaguar	32,093	28,271
Lotus	696	696
Panther	95	382
Reliant	721	92
Rolls-Royce	2,060	1,682
Talbot	52,483	77,548
TVR	391	330
Vauxhall	127,156	90,392
Others	511	502
Total	886,503	783,415

Vans, trucks, buses

Bedford	51,528	38,800
BL	76,615	58,602
Austin Rover	21,518	14,141
Freight Rover	16,129	14,376
Land Rover	25,770	20,852
Leyland Veh.	13,198	9,233
ERF	1,706	1,477
Foden	379	592
Ford	76,615	58,602
Hestair Dennis	717	780
Metro-Cammell-Weymann	383	425
Reliant	50	158
Renault	4,422	3,846
Seddon Atkinson	1,423	1,447
Others	157	196
Total	229,976	191,799
Total vehicles	1,116,479	975,214

FRANCE

Cars

	10 mos., 1985	10 mos., 1984
Peugeot SA	1,072,847	1,070,832
Citroen	396,811	398,663
Peugeot/Talbot	676,479	672,169
Renault	1,108,456	1,172,419
Total	2,181,303	2,243,251

Vans, trucks, buses

CBM	48	24
Iveco-Unic	85	3,502
Peugeot SA	137,092	100,949
Citroen	61,238	26,843
Peugeot/Talbot	75,854	74,106
Renault	174,655	180,037
Sovam	77	77
Total	311,957	284,589
Total vehicles	2,493,260	2,527,840

OVERSEAS REGISTRATIONS

FRANCE

Cars

	9 mos., 1985	9 mos., 1984
Alfa Romeo	11,245	15,611
Aro	412	756
Austin Rover	22,101	22,144
BMW	20,412	22,716
Fiat Auto	69,061	73,719
Ford	97,603	101,772
FSO	1,195	1,497
GM-Opel	64,219	53,672
Honda	5,879	5,304
Innocenti	907	1,008
Jaguar	185	119
Lada	15,468	18,499
Maserati	72	65
Mazda	12,576	9,059
Mercedes-Benz	15,653	13,499
Mitsubishi	2,571	2,612
Nissan	12,317	10,068
Peugeot SA	441,069	417,880
Citroen	163,372	163,562
Peugeot/Talbot	277,697	256,318
Porsche	1,019	1,101
Renault	371,859	403,631
Saab	1,127	838
Seat	16,519	11,979
Skoda	2,428	3,265
Suzuki	24	0
Toyota	9,474	8,638
VW-Audi Group	80,620	67,881
Audi	18,272	16,989
Volkswagen	62,348	50,892
Volvo	13,032	11,185
Zastava	1,278	1,096
Others	161	130
Total	1,289,805	1,278,650

ITALY

Cars

	10 mos., 1985	10 mos., 1984
Alfa Romeo	98,217	104,683
Austin Rover	20,165	18,541
BMW	18,575	24,692
Fiat Auto	787,014	764,966
Fiat	644,164	644,904
Lancia/ Autobianchi	142,850	120,062
Ford	60,216	62,443
GM-Opel	48,451	44,857
Innocenti	12,843	15,084
Mercedes-Benz	17,251	12,118
Peugeot SA	104,955	96,864
Citroen	55,638	53,176
Peugeot/Talbot	49,317	43,688
Renault	155,185	127,600
Seat	32,132	26,899
VW-Audi Group	124,682	74,603
Audi	15,633	13,288
Volkswagen	109,049	61,315
Volvo	15,135	18,086
Others	16,954	14,481
Total	1,511,775	1,405,917

JAPAN

Cars

	10 mos., 1985	10 mos., 1984
Daihatsu	82,661	90,717
Fuji	65,447	70,717
Honda	237,805	199,079
Isuzu	37,892	37,091
Mazda	161,217	184,945
Mitsubishi	140,581	163,046
Nissan	663,830	670,638
Suzuki	58,039	62,965
Toyota	1,093,143	1,050,421
Imports (all)	41,228	34,261
Total	2,581,843	2,563,880

Vans, trucks, buses

Daihatsu	280,133	253,147
Fuji	184,110	174,172
Hino	33,577	34,021
Honda	119,102	117,176
Isuzu	105,080	105,736
Mazda	132,213	134,426
Mitsubishi	294,114	275,407
Nissan	225,724	229,520
Nissan Diesel	17,896	18,029
Suzuki	342,034	310,125
Toyota	295,419	291,817
Imports (all)	147	145
Total	2,029,549	1,943,721
Total vehicles	4,611,392	4,507,601

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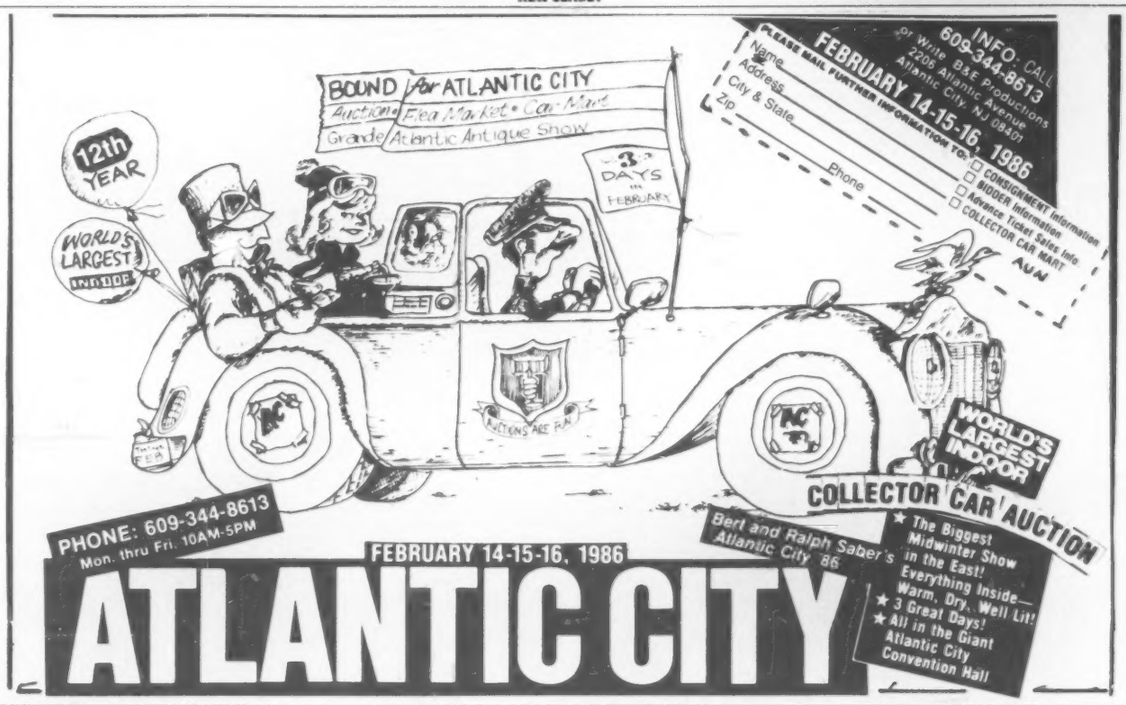

factories list auction dates

American Motors

Jan. 21—Aptco Auto Auction, Taylor, Mich., and High Point Auto Auction, High Point, N.C.

Jan. 22—Metro Milwaukee Auto Auction, Caledonia, Wis., and Mid States Auto Auction, South Bend.

Jan. 23—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; Corry Auto Auction, Corry, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 24—St. Louis Auto Auction, Bridgeton, Mo.

Jan. 28—D-A Auto Auction, New Stanton, Pa.; American Auto Auction, Walpole, Mass., and Arena Auto Auction, Chicago.

Jan. 29—Columbus Fair Auto Auction, Obetz, O., and Kansas City Auto Auction, Kansas City.

Jan. 30—Fredricksburg Auto Auction, Fredricksburg, Va.; Bel Air Auto Auction, Bel Air, Md.; Evansville Auto Auction, Evansville, Ind., and Northway Exchange, Inc., Clifton Park, N.Y.

Chrysler Corp.

Jan. 21—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Golden Gate Auto Auction, Fremont, Calif.

Jan. 22—Butler Auto Auction, Gibsonia, Pa.; Sand Mountain Auto Auction, Boaz, Ala., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 23—Albany Auto Auction, Albany, N.Y.; Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis.

Jan. 24—Concord Auto Auction, Acton, Mass.

Jan. 28—Hatfield Auto Auction, Hatfield, Pa., and NuCarPrep System, Santa Fe Springs, Calif.

Jan. 29—Southern Auto Auction, Warehouse Point, Conn.; Columbus Auto Auction, Obetz, O.; Dallas Auto Auction, Grand Prairie, Tex., and South Seattle Auto Auction, Kent, Wash.

Jan. 30—Fredricksburg Auto Auction, Fredricksburg, Va.

Jan. 31—St. Louis Auto Auction, Inc., Bridgeton, Mo.

Ford Motor Co.

Jan. 22—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

Jan. 23—Skyline Auto Exchange, Fairfield, N.J.

Jan. 28—South Seattle Auto Auction, Kent, Wash.

Jan. 29—Columbus Fair Auto Auction, Obetz, O., and Clanton's Auto Auction, Darlington, S.C.

Jan. 30—Baltimore Washington Auto Exchange, Baltimore; Arena Auto Auction, Chicago, and Big H Auto Auction, Houston.

General Motors

Jan. 21—Southern Auto Auction, Warehouse Point, Conn., and South Seattle Auto Auction, Kent, Wash.

Jan. 22—Clanton's Auto Auction, Darlington, S.C., and Indianapolis Auto Auction, Indianapolis.

Jan. 23—Butler Auto Auction, Gibsonia, Pa., and Big H Auto Auction, Houston.

Jan. 29—Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Used Car Sales
Auction Averages

Jan. 1986 to date	$4,763
Month ago	$4,595
Year ago	$4,769

Model Breakdown
Auction Averages

	JAN., 1986	DEC., 1985	NOV., 1985
1986	$7,533		
1985	$8,268	$9,839	$9,989
1984	$5,999	$6,514	$6,690
1983	$5,362	$5,594	$5,820
1982	$4,232	$4,567	$4,752
1981	$3,286	$3,474	$3,543
1980	$2,434	$2,694	$2,738
1979	$1,965	$2,207	$2,254
Overall Average	$4,763	$4,559	$4,714

Chrysler buying its stock from employes, outsiders

Chrysler Corp. expects to purchase approximately 9.5 million shares of its common stock from employes participating in its employe stock ownership plan.

Chrysler is also purchasing up to 25 million shares of its common stock under another program begun a year ago. So far, the company has purchased 13.7 million shares under that program.

"We continue to believe that our stock is undervalued in view of our future product and operating plans, even though its value has risen by about 35 percent since the start of the year," said Chrysler Chairman Lee A. Iacocca.

Chrysler and the UAW agreed in October to terminate the employee stock ownership plan under which almost 13 million shares of common stock had been held in trust for employes. Employes now have the option of receiving or selling the shares. At current market value, an employe participating in the ESOP for the life of the plan will receive approximately $7,800.

Shares in the ESOP were contributed by Chrysler between 1981 and 1984 as part of the federal loan-guarantee program during the company's brush with bankruptcy.

The company said it has agreed to purchase all shares offered to the corporation by its employes in order to maintain an orderly market in its stock.

Iacocca said the purchases under the two programs will reduce to about 100 million the number of common shares outstanding at the end of the year.

Completion of the stock-purchase program would eventually result in the acquisition of an additional 11 million outstanding shares, Iacocca said.

Eurobond venture well-received, Toyota says

TORRANCE, Calif.—Toyota Motor Credit Corp. reported that its first venture—and the first venture of any company of the Toyota family—into the Eurobond market has been well received.

The credit company, which provides wholesale and retail financing for Toyota dealers and their customers in the U.S., entered the international financial market Sept. 27 with a $100-million, four-year, 9.5-percent coupon Eurobond issue.

The action was taken to finance the rapid growth of its receivables portfolio, which amounts to nearly $500 million.

Yale Gieszl, senior vice president of finance and administration for Toyota Motor Sales U.S.A., said the credit company wanted to secure a portion of its funding on terms that more closely match the average life of its retail receivables portfolio.

He said Toyota expects to offer similar issues in the future to support the credit company's growth as a full-service credit corporation.

Eurobonds are purchased by European, Middle East and Far East investors and offer Toyota an opportunity to diversify its funding sources, reducing dependence on the U.S. market, Toyota said.

Auctioneers graduate

HIGH POINT, N.C.—Mendenhall School of Auctioneering graduated 55 students recently. The next class will be Feb. 3-14, 1986.

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Navistar's Springer tells SAE

Buyer profits are key to success

Continued from Page 12

The point is, Springer said, that quality and productivity improvements require team efforts between manufacturers, operators and others. And engineering is a focal point in realizing them.

SAE's interface with manufacturers and operators is critical to the domestic industry's regaining leadership in the world market, Springer emphasized.

"Only you (SAE members) can translate the customer's demand for a better product into manufacturing efficiencies that enhance quality," Springer said.

He called the 1980s the "decade of the customer" and said it requires an "ambitious but frugal agenda." That means redoubling efforts by manufacturers and operators to work together on improving cost-efficiencies, vehicle reliability and comfort—yet learning to live within customers' abilities to pay for products.

It also means making every investment dollar count.

Springer cited five areas of important future product development.

1. Aerodynamics. Fuel efficiency will continue to be a major buying influence. Drag currently accounts for one-half the power used by a line-haul vehicle at cruising speeds. Any improvement will appeal to a driver's sense of performance and bottom-line profitability.

2. Electronics. Diagnostic systems will speed the accurate identification and repair of malfunctions. Monitoring and recording systems will provide operating data bases, performance-evaluation packages, maintenance scheduling and trip logs—all improving quality and serviceability.

3. Vehicle performance. Engines and transmissions that increase vehicle productivity and fuel efficiency, and management systems that monitor horsepower demands at various performance levels and regulate fuel/air mixtures all aid economy and emissions.

Those, along with developing technologies for road stability and safety, aftercooling and turbocompounding and improved tire treading, will greatly increase the value of manufacturers' products on the road and in the marketplace.

4. Driver environment. Manufacturers will have to accommodate the minority of short drivers and the majority of tall, heavy drivers—and do it while reducing the overall sizes of cabs.

It will mean downsizing for exterior efficiency and improving interior comfort and workability.

5. Materials. Steel is likely to remain the top material in truck making, with aluminum a reliable second. But Springer is anxious for technology to mold plastic strong enough to displace steel and aluminum in internal cab support structures.

"When that happens," he said, "we will not only reduce vehicle weight but will also be able to tool panels in half the time and at considerably less cost. That development will affect bottom lines everywhere in the industry," he concluded.

MAJOR MANUFACTURERS BY SEGMENT

	December		Year-to-Date	
	1985	1984	1985	1984
Light-Duty	92,738	75,096	1,210,742	1,113,388
Medium-Duty	3,901	4,095	45,980	40,954
Heavy-Duty	1,103	1,208	15,087	12,373
Ford Total	**97,742**	**80,399**	**1,271,809**	**1,166,715**
Light-Duty	104,166	78,167	1,278,383	1,091,928
Medium-Duty	2,417	1,439	21,747	19,911
Chevrolet Total	**106,583**	**79,606**	**1,300,130**	**1,111,839**
Light-Duty	25,077	20,352	312,274	280,531
Medium-Duty	2,430	1,817	29,000	28,026
Heavy-Duty	820	654	10,856	14,282
GMC Total	**28,327**	**22,823**	**352,130**	**322,839**

LIGHT-DUTY DECEMBER, YEAR-TO-DATE SALES

	December		Year-to-Date	
	1985	1984	1985	1984
Vans	12,622	11,398	182,079	174,075
Aerostar	7,916	0	30,324	0
Club Wagon	2,126	2,319	31,575	32,103
Ranger	19,514	14,467	247,042	220,687
Bronco	4,618	4,377	52,281	47,589
Bronco II	7,259	6,389	104,934	98,049
Pickups	38,683	36,146	562,507	540,885
Ford	**92,738**	**75,096**	**1,210,742**	**1,113,388**
Vans	11,530	8,901	150,868	155,421
Sportsvan	1,550	1,322	21,005	21,902
Astro	10,456	1,544	106,157	1,768
S-10	14,431	12,712	210,051	188,661
S-10 Blazer	16,492	11,416	187,234	142,143
El Camino	2,585	1,427	21,816	22,997
Blazer	4,432	3,474	46,298	46,935
Suburban	5,064	3,678	58,906	50,843
Pickups	37,626	33,693	476,048	461,258
Chevrolet	**104,166**	**78,167**	**1,278,383**	**1,091,928**
Vans	4,127	4,374	63,250	70,504
Ram Wagon	3,048	3,251	40,095	40,283
Voyager	9,709	7,498	106,492	82,793
Caravan	10,631	7,544	113,550	85,929
Mini Ram Van	1,757	2,288	22,785	21,794
Ram 50	5,732	3,992	70,317	51,298
Other Plymouth Trucks	0	0	0	378
Ramcharger	1,376	2,703	29,325	28,551
Rampage	0	1,000	0	10,260
Pickups	9,551	11,483	160,574	134,264
Chrysler	**45,931**	**44,133**	**606,388**	**526,054**
Vans	3,335	2,611	40,607	45,991
Safari	2,406	200	24,892	217
S-15	3,027	2,771	46,953	43,742
S-15 Jimmy	3,463	2,783	42,239	34,519
Jimmy	945	578	9,094	8,488
Caballero	249	194	2,604	2,702
Suburban	1,420	1,119	17,888	16,132
Pickups	9,878	8,636	121,435	121,704
P Model	285	1,460	6,482	7,036
GMC	**25,077**	**20,352**	**312,274**	**280,531**
W-4	69	0	80	0
CJ	3,627	2,944	39,067	42,373
Wagoneer	1,777	1,577	14,102	19,889
Cherokee	9,950	7,559	98,874	69,054
Grand Wagoneer	2,214	1,891	17,809	19,081
Comanche	2,886	0	9,557	0
Pickups	189	215	1,980	3,404
Jeep	**20,643**	**14,186**	**181,389**	**153,801**
Toyota	32,884	25,312	329,930	264,183
Nissan	15,550	16,936	255,601	203,724
Mazda	10,125	9,833	115,464	119,127
Isuzu	7,977	5,413	78,149	45,379
Mitsubishi	1,906	2,106	26,739	17,613
Suzuki	1,607	0	2,646	0
Imports	**70,049**	**59,800**	**808,529**	**650,026**
Industry Total	**358,604**	**291,534**	**4,397,705**	**3,815,728**

*Nissan includes domestically-built units in Tennessee.

EPA chief signs 2 noise rules affecting trucks

WASHINGTON.—Two noise-control regulations for medium and heavy-duty trucks have been signed by EPA Administrator Lee Thomas.

One defers for two years—from Jan. 1, 1986, to Jan. 1, 1988—the effective date of the 80-decibel (dB) noise standard for new medium and HD trucks with GVW ratings greater than 10,000 pounds.

The other lowers by 3 decibels (3dB) the noise limits for interstate motor carriers. The revised sound-level limits for 1986 and later models over 10,000 pounds GVW are: 83 dB at speeds of 35 MPH or less; 87 dB at speeds above 35 MPH, and 85 dB when the engine is accelerated to maximum engine speed with the vehicle stationary.

EPA rejected applying the motor-carrier levels to all post-1977 trucks because of "unexpected and unreasonably high costs for a substantial number of truck users."

Tho actions respond to petitions from the truck industry and are intended to allow truck makers to coordinate design and engineering efforts to comply with both noise and emission standards, specifically EPA's HD engine nitrogen oxide and particulate standards set last March.

EPA said that while deferring the 80 dB standard will mean loss of near-term health and welfare benefits, reducing in-use noise will counterbalance that with short-term benefits and substantial long-term benefits.

Motors Holding buyout

Ronald Mayer, right, president, Motors Holding of Canada, Ltd., presents the Motors Holding Division buyout plaque to Guy Laplante, president, Trois-Rivieres Chevrolet, Inc., Trois-Rivieres, P.Q.

Truck sales set record of 4.68 million

Continued from Page 12

ing trucks in November.

Medium-duty sales for 12 months totaled 53,439, according to preliminary MVMA reports, off from 60,903 in 1984.

Within the medium segment, Class 4 deliveries totaled zero, compared with 4 in 1984. Class 5 deliveries of 5,081 were off from 5,417, and Class 6 deliveries of 48,358 declined from 55,482.

The heavy segment chalked up 229,314 sales, up from 216,172 in 1984.

Within that segment, Class 7 deliveries of 97,007 were up from 78,479 in 1984, while Class 8 deliveries of 132,307 were off from 137,693 in 1984.

In December, the industry retailed 384,187 trucks, up 21.8 percent from 315,459 in 1984.

The heavy segment recorded 20,916 deliveries, up from 18,932 in 1984.

Within the heavy group, Class 7 deliveries of 8,852 were up from 6,448, while Class 8 deliveries of 12,064 were off from 12,484 in 1984.

The medium segment's December deliveries were 4,667, off from 4,993 in 1984.

There were no deliveries in Class 4, according to MVMA. Class 5 deliveries of 63 were off from 613 last year, and Class 6 deliveries of 4,604 were up from 4,380 in like 1984.

Light-duty deliveries totaled 358,604 in December, up from 291,534 in 1984.

Silver Roper

UNION, S.C.—John C. Roper has received a 25-year-dealer award from Chevrolet.

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Too soon to judge impact of new incentives

By Edward Lapham
Marketing Editor

The off-pace sales report for early January was inconclusive evidence about the success or failure of the current round of annual-percentage-rate financing incentives.

That means it could be at least one more 10-day period before the industry can determine if the consumer is low-financing sated, requiring a more creative type of incentive for 1986.

One reason for the inconclusive results is that Chrysler Corp. and American Motors upgraded their incentive menus with new annual-percentage-rate financing programs at the end of the period, and Buick added Regal.

The Chrysler program, called "More Ways to Save," runs from Jan. 7 to Feb. 22. It includes a choice of cash rebates up to $1,000 or special APR financing rates.

On Dodge Omni and Plymouth Horizon, the choice is $500 cash, 7.5 APR for 48 months or 9.4 APR for 60 months.

The choice is $500 cash, an 8.6 APR rate for 48 months or a 9.4 APR rate for 60 months on Charger/Tourismo, Aries/Reliant, all Chrysler LeBaron models, all Dodge 600 two-door models and high-line Lancer/LeBaron GTS models.

On the premium Lancer/LeBaron GTS models, the cash option is $1,000.

Also covered by the new program are Dodge Ram D and W-100 and 150 pickup models. There is no cash option, just a 7.9 APR rate for 48 months or a 9.4 APR rate for 60 months.

The APR rates are available only through Chrysler Credit and there is no sold-order protection. Cash allowances may be used as a portion of the downpayment.

The program roughly parallels the 7.9 APR programs adopted earlier by Ford Motor Co. and General Motors. Those programs also expire Feb. 22.

In addition, Chrysler Credit extended a Gold Key lease incentive for 1985 and 1986 models covered in the APR program. The lease incentive makes monthly payments "competitive" with APR payments, a Chrysler spokesman said.

The AMC program runs from Jan. 11 to Jan. 31. It offers cash rebates of up to $700 on Renault Alliance and Encore models or lower APR financing rates. A 7.5 APR rate is available on loans of up to 36 months. The 48-month rate is 7.9 percent.

AMC also is offering a 48-month, 7.9-percent APR rate on two-wheel-drive Jeep Comanche pickups. The Comanche program runs from Jan. 11 to Feb. 22.

Stocks reach 53-month high but days' supply is trimmed

Inventories of unsold new domestic cars rose to a 53-month high on Jan. 1, with little indication of any relief before spring.

In terms of days' supply, the load is slightly less scary.

As of Jan. 1, the 1,629,649 cars in stock represented a 73-day supply. That compares with 1,605,832 and 78 days a month earlier and 1,417,164 and 63 days a year earlier. One must go back to the 1,675,193 of Aug. 1, 1981, to get a unit count greater than that of Jan. 1.

Despite incentives, the number of unsold cars edged higher and days' supply was trimmed only modestly from a month earlier.

If the trend continues, makers will be forced to modify first-quarter production plans and trim weekly output to a level more nearly in line with sales.

Interestingly, Ford Taurus and Mercury Sable, introduced Dec. 26, showed days' supply of 45 and 30, respectively, although they reportedly were hard to find in the nation's showrooms.

Jan. 1 inventory shares by percent were: General Motors, 63.22; Ford Motor Co., 18.46; Chrysler Corp., 14.16; American Motors, 2.55; Volkswagen, 1.18; Nissan, 0.28, and Honda, 0.15.

A month earlier, shares by percent had been: GM, 62.69; Ford, 19.00; Chrysler, 14.04; AMC, 2.60; Volkswagen, 1.18; Nissan, 0.26; and Honda, 0.23. (All figures for VW, Nissan and Honda in this story are based on U.S. production only.)

By size class, the Jan 1 inventory was split this way: Subcompact, 16.50 percent; compact, 21.95; intermediate, 39.78; standard, 11.52, and luxury, 10.25.

Month-earlier shares: Subcompact, 16.54 percent; compact, 22.04; intermediate, 39.47; standard, 11.02, and luxury, 10.93.

Domestic models by size class and days' supply on Jan. 1:

Subcompact—Encore, 172; Fiero, 163; Alliance, 130; Pontiac, 1000, 115; Laser, 113; Nova, 93; Turismo, 86; Horizon, 85; Charger, 83; Volkswagen, 82; Daytona, 75; Omni, 75; Chevette, 64; Lynx, 45; Escort, 26; Nissan, 20, and Honda, 7.

Compact—Capri, 140; Camaro, 105; Eagle, 102; LeBaron, 102; Firenza, 91; Firebird, 89; Skyhawk, 82; Mustang, 79: Aries, 63: Sunbird, 60: Reliant, 57; Tempo, 53: Cimarron, 52: Cavalier, 49, and Topaz, 46.

Intermediate—Regal, 168; Calais, 132; Somerset Regal, 130; Grand Prix, 126; Lancer, 119; Monte Carlo, 111; Cutlass Supreme, 110; Dodge 600, 102; Century, 99; Caravelle, 91; Bonneville, 90; LeBaron GTS, 89; Cutlass Ciera, 84; Marquis, 84; Pontiac 6000, 81; Citation, 78; LTD, 78; Cougar XR-7, 76; Thunderbird, 75; Celebrity, 69; New Yorker, 69; Taurus, 45; Grand Am, 37, and Sable, 30.

Standard—Parisienne, 135; Plymouth, 104; Chevrolet, 98; LeSabre, 81; Diplomat, 77; Crown Victoria, 69; Oldsmobile 88, 66, and Grand Marquis, 61.

Luxury—Electra, 108; Corvette, 105; Toronado, 85; Riviera, 68; Oldsmobile, 98, 65; Seville, 64; Eldorado, 61; Cadillac, 54; Continental, 47; Fifth Avenue, 46; Mark VII, 42, and Lincoln, 32.

NEW-CAR STOCKS

	Jan. 1, 1986	Dec. 1, 1985	Jan. 1, 1985
Alliance	130	108	147
Encore	172	244	129
Total Renault	143	137	139
Eagle	102	122	99
Total AMC	102	122	99
AMERICAN MOTORS	137	135	133
Horizon	85	83	103
Turismo	86	92	112
Reliant	57	79	89
Caravelle	91	72	63
Plymouth	104	89	128
Total Plymouth	72	81	94
Laser	113	134	54
LeBaron K	102	91	81
LeBaron GTS	89	82	85
Cordoba	0	0	0
Fifth Avenue	46	34	66
E-Class	0	0	81
New Yorker	69	73	0
Total Chrysler	80	76	69
Omni	75	89	92
Charger	83	91	111
Daytona	75	98	123
Aries	63	85	89
Lancer	119	99	93
Dodge 400-600	0	0	0
Diplomat	77	64	86
Mirada	0	0	0
Dodge 600	102	90	77
Total Dodge	81	89	93
CHRYSLER CORP.	78	82	85
EXP	0	164	129
Escort	26	36	71
Mustang	79	68	43
Tempo	53	47	64
Taurus	45	0	0
Thunderbird	75	93	50
LTD	78	110	77
Crown Victoria	69	72	114
Total Ford Division	51	60	71
Lynx	45	54	95
Topaz	46	45	76
Sable	30	0	0
Cougar XR-7	76	100	62
Capri	140	127	89
Marquis	84	108	83
Grand Marquis	61	65	116
Total Mercury	61	75	88
Continental	47	59	72
Lincoln	32	41	44
Mark VII	42	58	78
Total Lincoln	36	45	53
Total L-M Division	54	67	78
FORD MOTOR	52	62	73
Skyhawk	82	111	54
Skylark	0	5	61
Somerset Regal	130	136	70
Century	99	107	37
Regal	168	154	52
LeSabre	81	82	60
Electra	108	137	33
Riviera	68	57	45
Total Buick	107	115	50
Cimarron	52	108	54
Seville	64	65	43
Cadillac	54	81	35
Eldorado	61	53	52
Total Cadillac	55	76	41
Chevette	64	59	58
Nova	93	115	0
Cavalier	49	83	46
Citation	78	102	102
Camaro	105	85	83
Celebrity	69	61	39
Malibu	0	0	0
Monte Carlo	111	90	50
Chevrolet	98	100	78
Corvette	105	115	55
Total Chevrolet	75	82	59
Firenza	91	110	70
Omega	0	0	0
Calais	132	87	65
Cutlass Ciera	84	68	27
Cutlass Supreme	110	104	33
Olds 88	66	59	47
Olds 98	65	67	37
Toronado	85	61	67
Total Oldsmobile	88	77	41
Fiero	163	133	118
1000	115	109	51
Sunbird	60	86	54
Phoenix	0	0	83
Firebird	89	66	63
Grand Am	37	32	29
6000	81	75	28
Bonneville	90	125	51
Grand Prix	126	148	66
Parisienne	136	126	84
Total Pontiac	84	81	55
GENERAL MOTORS	83	86	51
VOLKSWAGEN	82	77	6
HONDA	7	8	71
NISSAN	20	18	0
DOMESTIC TOTAL	73	78	63
Subcompact	59	63	79
Compact	66	77	65
Intermediate	88	85	51
Standard	84	83	80
Luxury	62	73	47

Service Index reflects hiccup in shop business

By Arthur Flax
Automotive News Staff

Service and parts business at new-car dealerships in November was down compared with November, 1984, but business for the entire year was running well ahead of the 1984 clip.

According to the Automotive News Service Index, shop business at dealerships in November amounted to 98.1 percent of the volume recorded in the same month in 1984.

November was the first month in 1985 to show a decline in service volume from the year-ago figure. Prior to that, the most recent decline in volume occurred in December, 1984, when the Service Index amounted to 99.7 percent of the December, 1983, figure.

For the first 11 months of 1985, service and parts volume showed a climb of 7.5 percent over the like period a year earlier.

Most indicators in November showed losses from the previous year. Sales of all parts and accessories, the category with the biggest loss, was down 5.4 percent from the 1984 month.

Total labor sales (including both customer-paid and warranty) was the only indicator showing an increase. It was up 3.5 percent.

Gross profit on all labor, parts and accessories sales during the month registered a loss of 1.2 percent. Repair orders written were down 2.3 percent and shop parts sales (both customer and warranty) were down 4.0 percent.

Through November, the top gainer for 1985 was total labor sales, which were 10.6 percent higher than in 1984. Repair orders written were up 8.2 percent in the first 11 months of 1985. Gross profit on all labor, parts and accessories sales were up 7.2 percent. Shop parts sales (including both customer and warranty) were up 6.3 percent. Sales of all parts and accessories were up 4.5 percent.

Figures used in the Service Index are averages compiled from reports on shop business from a cross section of the nation's new-car dealerships.

SERVICE INDEX
98.1★

	Nov., '85 vs. Nov., '84	11 mos., '85 vs. 11 mos., '84
Gross Profit on All Labor and P&A Sales	−1.2%	+7.2%
Repair Orders Written	−2.3%	+8.2%
Total Labor Sales (Customer & Warranty)	+3.5%	+10.6%
Shop Parts Sales (Customer & Warranty)	−4.0%	+6.3%
Sales of All P&A	−5.4%	+4.5%

★—Survey by Automotive News shows that dealers' service and parts business in November, 1985, was 98.1 percent of business in November, 1984. Service business in the first 11 months of 1985 was 107.5 percent of business in the corresponding period in 1984.

Walsh retires, named contributor for Auto News

John E. Walsh, 68, has retired as service editor of Automotive News. He will continue to write for the paper as a Florida-based correspondent.

Walsh joined Automotive News in 1957 from the Detroit Free Press. He was named service editor in 1969, then moved to the post of truck editor in 1971. He covered the truck industry until March, 1985, when he was once again named service editor.

John E. Walsh

He holds a bachelor of arts degree from Syracuse University.

The service editor's position is not yet filled.

Car-sales dip continues as year opens

By Jenny L. King
Detroit Reporter

Early-January new-car sales continued the model-year downturn, despite low-interest incentives.

Sales were down 8.34 percent from 1985, yet were the second highest in a decade and averaged 21,864 deliveries per selling day.

Compared with the late-December mini-boom, when sales swelled to 231,593 under financing incentives, the most recent total was down 57,000.

It was the ninth year-to-year decline in the ten 10-day selling periods of the 1986 model year.

Compared with the same 1985 period, GM sales declined 4.37 percent, Ford was down 11.69 percent, Chrysler dropped 16.07 percent, Honda sales of U.S.-built units fell 29.28 percent and AMC's sales estimate was down 52.60 percent.

In market shares, GM pushed past the 60-percent mark for the first time since mid-May 1985, with 61.17 percent compared with 58.63 percent a year ago.

Ford was down to 22.9 percent from 23.77 percent, Chrysler dipped to 11.85 percent from 12.94 percent and AMC plunged to 0.88 percent from 1.71 percent. VW edged up to 0.68 percent from 0.60 percent, Honda slipped to 1.81 percent from 2.35 percent and Nissan held 0.71 percent.

In year-to-year sales by make, Cadillac was the big winner, up 13.14 percent, followed by Plymouth and VW, up 3.29 percent, and Chevrolet, up 1.5 percent. The losers were Renault, off 54.7 percent; Lincoln, down 40.4 percent; AMC, down an estimated 37.5 percent, and Honda, off 29.28 percent.

DOMESTIC SALES

	Jan. 1-10, 1986	Jan. 1-10, 1985
Renault		
Alliance-Encore	1,300†	2,870†
AMC	250†	400†
AMERICAN MOTORS	1,550†	3,270†
Chrysler	5,644	7,479
Plymouth	8,127	7,868
Dodge	6,958	9,352
CHRYSLER CORP.	20,729	24,699
Ford	27,595	30,047
Mercury	9,899	11,015
Lincoln	2,563	4,300
FORD MOTOR CO.	40,057	45,362
Buick	13,976	18,248
Cadillac	5,916	5,229
Chevrolet	41,601	40,988
Oldsmobile	27,332	28,458
Pontiac	18,190	18,982
GENERAL MOTORS	107,015	111,905
VOLKSWAGEN	1,193	1,155
HONDA	3,167	4,478
NISSAN	1,243	0
U.S. INDUSTRY TOTAL	174,954	190,869

†—Estimate

VW to reduce line speed at U.S. plant

By Kathy Boyer
Detroit Reporter

Production at Volkswagen of America's Westmoreland (Pa.) plant will be halted Jan. 27 for one week. VWoA said the production interruption is to prepare for slower production-line speeds.

The plant, which assembles the Golf and GTI, will cut back its output Feb. 3, and 220 hourly employes will be laid off on Jan. 24.

The cutback at Westmoreland will result in an output of 400 cars a day. In 1985, the plant produced 470 cars a day, bringing the year-end total to 96,000 cars.

Despite the reduction in line speed, production this year is expected to come very close to last year's total and wind up at 92,000 to 96,000 cars, VWoA said.

Reminded that there has been talk that the VW Jetta might someday be assembled at Westmoreland, the spokesman replied, "A year-long conversation has been held by everyone *except* Volkswagen about producing the Jetta at Westmoreland, (but) there are no such plans."

At the Detroit Auto Show, a VWoA official was asked whether Jetta would ever be built at Westmoreland. He answered, "I still light a candle. It's my monthly novena. Novena Jetta."

Volvo to halt bus output

ROCKLEIGH, N.J.—Citing current and foreseeable market conditions, Volvo North America Corp. said it will stop producing and marketing transit buses in North America late this year.

Volvo entered the city bus market here in 1982 and has delivered about 120 buses. The company has contracts to produce 144 more, and it said the contracts will be honored and parts, service and technical support will continue.

Overcompetition has characterized the medium-sized bus market —where about 10 companies, with capacity to build 13,000 buses a year, have been battling for a 2,500-unit-a-year, no-growth market. (Automotive News, Oct. 28, 1985).

Bjorn Ahlstrom, president of Volvo North America, said, "The bus market in the U.S. simply does not and will not permit us to generate an adequate return on our investment."

Nissan completes plant in U.K.

TOKYO.—Nissan Motor Mfg. U.K., Ltd. (NMUK), a wholly owned subsidiary of the Japanese firm, has completed construction of its $35.5 million car plant in Washington New Town, Tyne and Wear County, England.

Installation of machinery, including robots, is underway. Pilot production is scheduled to start in April, with production officially scheduled to begin in July.

NMUK will initially produce a car to replace the Nissan Stanza, which is now sold in Europe at the rate of 24,000 units a year.

The plant consists of three main buildings: A body and assembly shop, a paint shop and an administrative building.

Production Page

U.S. CAR PRODUCTION

	Week Ended Jan. 18, 1986	Week Ended Jan. 19, 1985	Week Ended Jan. 11, 1986	Jan. to Date	Jan. 1, to Jan. 19, 1985	Jan. 1, to Jan. 18, 1986
AMERICAN MOTORS	0	4,103	0	0	7,865	0
Renault Total	0	4,103	0	0	7,865	0
Alliance	0	2,642	0	0	4,990	0
Encore	0	1,461	0	0	2,875	0
CHRYSLER CORP.	29,200	25,366	33,320	72,789	68,103	72,789
Plymouth Total	8,400	7,575	9,901	21,106	19,408	21,106
Horizon	3,100	2,645	3,791	7,964	6,886	7,964
Reliant	3,900	3,347	4,439	9,516	8,426	9,516
Caravelle	1,200	1,310	1,472	3,151	3,343	3,151
Gran Fury	200	273	199	475	753	475
Chrysler Total	10,600	8,798	11,871	26,098	24,213	26,098
LeBaron	2,600	2,530	2,851	6,437	6,547	6,437
LeBaron GTS	2,400	1,242	2,434	5,448	4,043	5,448
Laser	1,000	1,159	1,044	2,469	3,049	2,469
New Yorker/E-Class	1,500	1,396	1,808	3,813	3,596	3,813
Fifth Avenue	3,100	2,471	3,734	7,931	6,978	7,931
Dodge Total	10,200	8,993	11,548	25,585	24,482	25,585
Omni	3,100	2,945	3,535	7,774	7,529	7,774
Aries	2,000	2,268	2,709	5,702	6,293	5,702
Daytona	1,000	890	1,079	2,505	2,285	2,505
Dodge 600	1,700	1,461	1,743	4,064	3,774	4,064
Lancer	2,000	953	1,900	4,371	3,182	4,371
Diplomat	400	476	582	1,169	1,419	1,169
FORD MOTOR	34,089	41,215	33,630	78,495	107,023	78,495
Ford Division	23,153	27,259	22,452	52,891	69,701	52,891
Escort	8,251	6,839	7,651	18,466	18,242	18,466
Mustang	4,215	3,668	3,910	9,362	9,430	9,362
LTD	0	5,891	0	0	14,766	0
Taurus	3,008	0	2,548	6,459	0	6,459
Thunderbird	3,644	4,043	3,657	8,582	10,440	8,582
Crown Victoria	0	2,173	0	0	5,544	0
EXP	0	526	0	0	1,434	0
Tempo	4,035	4,119	4,686	10,022	9,845	10,022
L-M Division	10,936	13,956	11,178	25,604	37,322	25,604
Mercury Total	7,251	10,363	7,506	17,069	27,982	17,069
Lynx	1,633	1,687	1,508	3,637	4,770	3,637
Capri	375	332	680	1,286	1,139	1,286
Marquis	0	2,445	0	0	6,648	0
Sabe	1,482	0	1,282	3,211	0	3,211
Cougar	2,396	3,336	2,454	5,553	8,683	5,553
Grand Marquis	0	1,452	0	0	3,626	0
Topaz	1,365	1,111	1,582	3,382	3,116	3,382
Lincoln Total	3,685	3,593	3,672	8,535	9,340	8,535
Continental	408	649	509	1,080	1,692	1,080
Lincoln	2,766	2,544	2,757	6,406	6,616	6,406
Mark VI/VII	511	400	406	1,049	1,032	1,049
GENERAL MOTORS	96,378	104,532	96,930	231,272	280,937	231,272
Buick Total	16,721	20,124	17,871	41,686	56,560	41,686
Skylark	0	2,549	0	0	6,617	0
Skyhawk	1,865	2,460	1,877	4,544	5,395	4,544
Somerset	2,140	2,015	2,295	5,127	5,493	5,127
Century	5,799	4,410	6,425	15,123	11,982	15,123
Regal	1,031	3,060	611	1,745	7,511	1,745
LeSabre/Electra (rwd)	205	3,950	253	583	11,167	583
LeSabre (fwd)	1,500	0	1,164	3,029	0	3,029
Riviera	350	1,161	312	801	3,371	801
Electra (fwd)	3,831	519	4,934	10,734	5,024	10,734
Cadillac Total	6,074	8,258	4,582	12,386	21,049	12,386
Cimarron	435	504	387	1,011	1,263	1,011
Seville	435	787	249	779	2,261	779
Eldorado	619	1,471	316	1,089	4,230	1,089
Cadillac (rwd)	960	1,365	345	1,354	3,491	1,354
DeVille (fwd)	3,625	4,131	3,285	8,153	9,804	8,153
Chevrolet Total	34,872	36,184	35,424	83,592	100,993	83,592
Chevette	2,715	3,102	2,843	6,717	9,095	6,717
Cavalier	9,591	9,663	9,850	23,217	27,478	23,217
Celebrity	5,898	5,382	6,697	14,625	14,976	14,625
Camaro	4,965	5,478	4,911	11,785	13,833	11,785
Citation	0	1,528	0	0	4,685	0
Malibu/El Camino	0	0	0	0	0	0
Monte Carlo	2,695	3,076	2,679	6,506	6,950	6,506
Chevrolet	9,008	7,503	8,444	20,742	21,362	20,742
Corvette	0	452	0	0	2,614	0
Oldsmobile Total	23,696	27,092	23,332	57,047	70,622	57,047
Omega	0	0	0	0	0	0
Firenza	990	1,717	1,048	2,494	4,617	2,494
Cutlass Supreme	4,759	4,696	4,357	10,324	11,255	10,324
Cutlass Ciera	6,785	8,641	6,896	18,070	21,403	18,070
88/98 (rwd)	480	5,968	952	1,909	15,490	1,909
88 (fwd)	4,080	0	3,939	9,449	0	9,449
Olds 98	3,080	2,520	2,731	6,728	7,869	6,728
Calais	3,110	2,685	3,183	7,340	7,479	7,340
Toronado	412	865	226	733	2,509	733
Pontiac Total	15,015	12,874	15,721	36,561	31,713	36,561
Acadian**	0	234	210	219	321	219
2000 Sunbird	2,895	2,850	2,791	6,784	7,730	6,784
1000	605	546	529	1,313	1,497	1,313
Firebird	2,655	3,074	2,701	6,385	6,959	6,385
Phoenix	0	0	0	0	0	0
6000	2,505	329	2,362	6,065	869	6,065
Grand Prix/Bonneville	0	0	0	0	0	0
Parisienne	2,005	1,367	2,685	5,767	3,748	5,767
Fiero	0	2,389	0	0	4,599	0
Grand Am	4,350	2,085	4,443	10,028	5,990	10,028
HONDA	3,750	3,129	3,572	8,712	8,739	8,712
NISSAN	1,275	0	1,886	4,879	0	4,879
NUMMI*	1,900	200	1,900	4,200	600	4,200
VOLKSWAGEN	2,350	2,053	2,304	5,505	5,213	5,505
Total Cars, U.S.	168,942	180,598	173,542	405,852	478,480	405,852
Total Cars, Canada	20,734	19,987	18,979	45,888	54,955	45,888
N. American Cars	189,676	200,585	192,521	451,740	533,435	451,740
N. American Trucks	89,237	82,828	88,021	212,088	215,547	212,088
North American Cars and Trucks	278,913	283,413	280,542	663,828	748,982	663,828

*—Revised estimate.
**—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Auto output drops 2.7 pct. for week

By Kathy Boyer
Detroit Reporter

With little overtime scheduled at U.S. car plants last week, estimated production of 168,942 units fell 2.65 percent from the previous week's 173,542.

Last week's target was also down 6.45 percent from the year-ago week's 180,598.

Companies shared last week's scheduled production as follows: General Motors, 57.06 percent; Ford Motor Co., 20.18 percent; Chrysler Corp., 17.28 percent; Honda of America Mfg. Co., 2.22 percent; Volkswagen of America, 1.39 percent; New United Motor Mfg. Co., U.S.A., 1.12 percent, and Nissan Motor Mfg. Co., 0.75 percent.

AMC's Kenosha plant remained idle last week to adjust inventory. The plant is expected to resume operation today (Jan. 20.).

GM's Fiero plant in Pontiac resumed production today (Jan. 20). It had been down to prepare for production of the new Fiero GT and also for inventory adjustment.

Ford slated overtime at its Edison (N.J.) plant Saturday (Jan. 18).

All Ford car plants except Atlanta are scheduled for daily overtime this week (Jan. 20).

Ford's Kansas City plant is slated for overtime Saturday, Jan. 26.

Two nine-hour daily shifts are scheduled at the following Chrysler plants this week: Belvidere, Ill.; Newark, Del., and St. Louis No. 2.

Chrysler's Jefferson (Detroit) plant is slated for two 8½-hour daily shifts this week.

Canada cars top 20,000

Canadian auto makers targeted weekly production of more than 20,000 units for the first time this year.

The estimated output of 20,734 cars last week was 9.25 percent more than the previous week's 18,979 and 3.74 percent above the year-ago week's 19,987.

The truck makers' scheduled output of 18,346 units last week was 1.14 percent more than the previous week's 18,139 but 3.24 percent below the year-ago week's 18,961.

Downtime at General Motors' Oshawa No. 1 plant will continue this week (Jan. 20) for paint conversion. The plant produces the Pontiac 6000 and the Oldsmobile Cutlass Ciera.

Trucks inch ahead of 1985

This year's domestic truck production has inched past 1985's total build at this point.

So far this year, 167,938 trucks have been assembled, 0.89 percent more than the 166,464 completed last year at this time.

Last week's scheduled build of 70,891 units was 1.44 percent more than the previous week's 69,882 and 11.00 percent more than the year-ago week's 63,867.

Nissan's Smyrna (Tenn.) plant resumed production Jan. 13 after being down for two weeks for retooling.

The first new-model Nissan truck was completed Jan. 14. This is the first major model change since Nissan began production in Tennessee in June, 1983.

General Motors' medium and heavy-duty truck plant in Pontiac will be closed for one week beginning today (Jan. 20) due to changes in market demand.

GM's plants in Janesville, Wis., and St. Louis were scheduled for two overtime shifts Saturday.

All Ford plants except Louisville are scheduled for daily overtime this week (Jan. 20).

PRODUCTION

CANADIAN	Week Ended Jan. 18, 1986	Week Ended Jan. 19, 1985	Week Ended Jan. 11, 1986	Jan. to Date	Jan. 1, to Jan. 19, 1985	Jan. 1, to Jan. 18, 1986
AMERICAN MOTORS	400	0	407	807	366	807
FORD MOTOR	11,645	11,292	11,380	27,048	31,602	27,048
GENERAL MOTORS	8,464	8,470	6,967	17,517	22,402	17,517
VOLVO	225	225	225	516	585	516
Total Cars, Canada	20,734	19,987	18,979	45,888	54,955	45,888

U.S. TRUCK	Week Ended Jan. 18, 1986	Week Ended Jan. 19, 1985	Week Ended Jan. 11, 1986	Jan. to Date	Jan. 1, to Jan. 19, 1985	Jan. 1, to Jan. 18, 1986
CHEVROLET	24,964	21,454	24,638	59,772	58,410	59,772
DODGE	0	3,861	0	0	10,377	0
FORD	28,402	22,188	29,097	67,313	56,220	67,313
GMC	7,606	6,369	7,050	17,949	15,559	17,949
INTERNATIONAL	1,493	1,626	1,390	3,472	4,182	3,472
JEEP	5,800	4,146	5,655	13,732	9,948	13,732
NISSAN	576	2,073	2	578	6,178	578
AM GENERAL	50	50	50	122	130	122
MISCELLANEOUS	2,000	2,100	2,000	5,000	5,460	5,000
Total Trucks, U.S.	70,891	63,867	69,882	167,938	166,464	167,938

CANADIAN TRUCK	Week Ended Jan. 18, 1986	Week Ended Jan. 19, 1985	Week Ended Jan. 11, 1986	Jan. to Date	Jan. 1, to Jan. 19, 1985	Jan. 1, to Jan. 18, 1986
CHRYSLER	8,624	8,808	9,175	21,787	23,192	21,787
FORD	3,581	3,605	3,627	8,436	9,056	8,436
GENERAL MOTORS	5,976	6,321	5,174	13,533	16,273	13,533
INTERNATIONAL	165	227	163	394	562	394
Total Trucks, Canada	18,346	18,961	18,139	44,150	49,083	44,150
N. American Trucks	89,237	82,828	88,021	212,088	215,547	212,088

•—Includes window van production. *— Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.